

CLAIMS

What is claimed is:

1 1. A method for forecasting a potential cost for an indirect procurement commodity
2 comprising:

3 receiving a volume of the indirect procurement commodity to be block purchased
4 for a future period;

5 calculating a cost of the volume of the indirect procurement commodity based on
6 historical consumption data for a past period; and

7 forecasting a potential cost of the indirect procurement commodity to be purchased
8 for a future period based on the calculated cost and at least one variable factor associated
9 with the indirect procurement commodity.

1 2. The method of claim 1 wherein the indirect procurement commodity comprises
2 energy.

1 3. The method of claim 1 wherein calculating a cost of the volume comprises:
2 multiplying the volume of the indirect procurement commodity by a time factor
3 wherein the time factor is associated with the past period.

1 4. The method of claim 3 wherein the time factor comprises a number of off-peak
2 hours in the past period.

1 5. The method of claim 3 wherein the time factor comprises a number of peak hours
2 in the past period.

1 6. The method of claim 1 wherein forecasting a potential cost of the indirect
2 procurement commodity further comprises:
3 calculating the at least one variable.

1 7. The method of claim 6 wherein calculating the at least one variable further
2 comprises:

3 calculating a market imbalance factor for the future period based on data
4 associated with the past period.

1 8. The method of claim 7 wherein data associated with the past period comprises
2 consumption data and price index data.

1 9. The method of claim 8 wherein forecasting the potential cost of the indirect
2 procurement commodity further comprises:

3 adding the market imbalance factor to the cost of the volume of the indirect
4 procurement commodity thereby generating a forecasted cost of the volume of the
5 indirect procurement commodity.

1 10. The method of claim 9 wherein forecasting the potential cost of the indirect
2 procurement commodity further comprises:

3 factoring a market fluctuation component into the forecasted cost of the volume
4 of the indirect procurement commodity.

1 11. The method of claim 10 wherein the market fluctuation component comprises a
2 best guess estimate of market fluctuation during the future period.

1 12. A system for forecasting a potential cost for an indirect procurement commodity
2 comprising:

3 means for receiving a volume of the indirect procurement commodity to be block
4 purchased for a future period;

5 means for calculating a cost of the volume of the indirect procurement
6 commodity based on historical consumption data for a past period; and

7 means for forecasting a potential cost of the indirect procurement commodity to be
8 purchased for a future period based on the calculated cost and at least one variable factor
9 associated with the indirect procurement commodity.

1 13. The system of claim 12 wherein the means for determining a cost of the volume
2 comprises:

3 means for multiplying the volume of the indirect procurement commodity by a
4 time factor wherein the time factor is associated with the past period.

1 14. The system of claim 13 wherein the time factor comprises a number of off-peak
2 hours in the past period.

1 15. The system of claim 13 wherein the time factor comprises a number of peak
2 hours in the past period.

1 16. The system of claim 12 wherein the means for forecasting a potential cost of the
2 indirect procurement commodity further comprises:

3 means for calculating the at least one variable.

1 17. A system for forecasting a potential cost for an indirect procurement commodity
2 comprising:

3 a graphical user interface; and

4 a cost forecasting tool coupled to the graphical user interface capable of:

5 receiving a volume of the indirect procurement commodity to be block
6 purchased for a future period;

7 calculating a cost of the volume of the indirect procurement commodity
8 based on historical consumption data for a past period; and

9 forecasting a potential cost of the indirect procurement commodity to be
10 purchased for a future period based on the calculated cost and at least one variable factor
11 associated with the indirect procurement commodity.

1 18. The system of claim 17 wherein forecasting a potential cost of the indirect
2 procurement commodity further comprises:

3 calculating the at least one variable factor.

1 19. The system of claim 18 wherein calculating the at least one variable factor further
2 comprises:

3 calculating a market imbalance factor for the future period based on data
4 associated with the past period.

1 20. The system of claim 19 wherein data associated with the past period comprises
2 consumption data and price index data.

1 21. The system of claim 20 wherein forecasting the potential cost of the indirect
2 procurement commodity further comprises:

3 adding the market imbalance factor to the cost of the volume of the indirect
4 procurement commodity thereby generating a forecasted cost of the volume of the
5 indirect procurement commodity.

1 22. The system of claim 21 wherein forecasting the potential cost of the indirect
2 procurement commodity further comprises:

3 factoring a market fluctuation component into the forecasted cost of the volume
4 of the indirect procurement commodity.

1 23. The system of claim 22 wherein the market fluctuation component comprises a
2 best guess estimate of market fluctuation during the future period.

1 24. A computer program product for forecasting a potential cost for an indirect
2 procurement commodity, the computer program product comprising a computer usable
3 medium having computer readable program means for causing a computer to perform the
4 steps of:

5 receiving a volume of the indirect procurement commodity to be block purchased
6 for a future period;

7 calculating a cost of the volume of the indirect procurement commodity based on
8 historical consumption data for a past period; and

9 forecasting a potential cost of the indirect procurement commodity to be purchased

10 for a future period based on the calculated cost and at least one variable factor associated
11 with the indirect procurement commodity.

1 25. The computer program product of claim 24 wherein forecasting a potential cost
2 of the indirect procurement commodity further comprises:
3 calculating the at least one variable factor.

1 26. The computer program product of claim 25 wherein calculating the at least one
2 variable factor further comprises:
3 calculating a market imbalance factor for the future period based on data
4 associated with the past period.

1 27. The computer program product of claim 26 wherein data associated with the past
2 period comprises consumption data and price index data.

1 28. The computer program product of claim 27 wherein forecasting the potential cost
2 of the indirect procurement commodity further comprises:
3 adding the market imbalance factor to the cost of the volume of the indirect
4 procurement commodity thereby generating a forecasted cost of the volume of the
5 indirect procurement commodity.

1 29. The computer program product of claim 28 wherein forecasting the potential cost
2 of the indirect procurement commodity further comprises:
3 factoring a market fluctuation component into the forecasted cost of the volume of
4 the indirect procurement commodity.

1 30. A method of doing business comprising:
2 receiving a volume of the indirect procurement commodity to be block purchased
3 for a future period;
4 calculating a cost of the volume of the indirect procurement commodity based on
5 historical consumption data for a past period; and

6 forecasting a potential cost of the indirect procurement commodity to be purchased
7 for a future period based on the calculated cost and at least one variable factor associated
8 with the indirect procurement commodity.

1 31. The method of claim 30 wherein the indirect procurement commodity comprises
2 energy.

1 32. The method of claim 30 wherein forecasting a potential cost of the indirect
2 procurement commodity further comprises:
3 calculating the at least one variable.

1 33. The method of claim 32 wherein calculating the at least one variable further
2 comprises:
3 calculating a market imbalance factor for the future period based on data
4 associated with the past period.

1 34. The method of claim 33 wherein data associated with the past period comprises
2 consumption data and price index data.

1 35. The method of claim 34 wherein forecasting the potential cost of the indirect
2 procurement commodity further comprises:
3 adding the market imbalance factor to the cost of the volume of the indirect
4 procurement commodity thereby generating a forecasted cost of the volume of the indirect
5 procurement commodity.